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March 20, 2002

AMENDMENT 1 TO  
ANNOUNCEMENT BCD2  
PURCHASE OF NATURAL AMERICAN CHEESE  
FOR USE IN DOMESTIC PROGRAMS

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The purpose of this amendment is to amend announcement BCD2, issued on March 20, 2001, as follows:

- Incorporate the requirements for the Total Quality Systems Audit program.
  - Submission of Offers requirements using the Domestic Electronic Bid Entry System (DEBES).
  - Add to Part 10, Section E, if pH re-test is required, the quinhydrone method will be used by the AMS lab.
  - Revise Appendix 2, Part 4, USDA & Commercial Marking Requirements.
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Effective date of this amendment is March 20, 2002, and is applicable to all contracts awarded on or after date of issuance.

For your convenience, Announcement BCD2 and Appendix 2, Amendment 1, are enclosed. Please attach Appendix 3 to your file copy.

Announcement BCD2 and amendments are available at the Commodity Operations website [www.fsa.usda.gov/daco/default.htm](http://www.fsa.usda.gov/daco/default.htm) under Dairy Announcements.

Although most of the changes are listed above, other language changes have been made. We urge you to read the announcement and the appendixes to the announcement carefully.

Any inquiry pertaining to this amendment should be directed to Kathy Wienberg at 816-926-2514.

George W. Aldaya  
Director  
Enclosures

UNITED STATES  
DEPARTMENT OF  
AGRICULTURE

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Effective: March 20, 2001

# **ANNOUNCEMENT BCD2**

**(Supersedes Announcement BCD1)**

## **Purchase of Natural American Cheese For Use in Domestic Programs**



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**ANNOUNCEMENT BCD2**  
**Purchase of Natural American Cheese**  
**For Use in Domestic Programs**

**1. GENERAL**

A. Invitation for Offers

- (1) The United States Department of Agriculture (USDA) will from time to time issue an invitation for offers under this announcement to sell Cheddar and Reduced Fat Cheddar (blocks, cuts, shredded) or Barrel Cheese such as: Cheddar, Colby, or Granular (Stirred Curd) to USDA for use in domestic programs.
- (2) The invitation will specify the office to which offers are to be submitted, the closing time for receipt of offers, and provisions applicable to the proposed procurement which are in addition to or different from those set forth herein.

B. Terms and Conditions

- (1) Provisions of "General Terms and Conditions For the Procurement of Agricultural Commodities or Services," USDA-1, Revision No. 2, as amended (USDA-1), are incorporated as specified in Section 5 of this announcement.
- (2) Offerors are cautioned to read all terms and conditions of USDA-1, Total Quality System Audit (TQSA) Supplier Guidelines (applies to laboratories only), this announcement, the appendixes to this announcement, and the invitation.

C. Certifications, Representations, and Warranties

Appendix 1 to this announcement contains certifications, representations, and warranties that must be certified and submitted annually to USDA prior to or with an offer. In addition to an annual submission, offerors must submit an updated Appendix 1 as changes in the certifications, representations, and warranties submitted to USDA occur throughout the year.

D. Packaging and Marking Specifications

Appendix 2 to this announcement contains the detailed packaging and marking specifications, and other requirements, applicable to the product delivered under this announcement.

E. Commercial Item Description

Appendix 3 to this announcement is the Commercial Item Description (CID) for **Reduced Fat Cheddar Cheese, A-A-20208 dated June 6, 1995.**

**2. ELIGIBILITY OF OFFERORS**

To be eligible to submit an offer under this announcement, the offeror must:

- A. Submit a completed "Solicitation Mailing List Application" (Standard Form 129) to the contracting officer prior to a first offer. Offeror must complete all portions of form SF-129, except Item 18, and include the following additional information for:
  - (1) Item 8. Identify all affiliates including any parent company. Provide full name and main office address. A "parent" company is one that owns or controls the activities and basic business policies of the bidder. An "affiliate" is defined on the back of the form.
  - (2) Item 10. Identify the commodities/products the offeror is interested in supplying.
  - (3) Items 19 and 20. Must be an officer, owner, or partner of the company.
- B. Resubmit form SF-129 as necessary when the information requires updating.
- C. Affirmatively demonstrate responsibility as defined in Federal Acquisition Regulation (FAR) 9.104-1. The USDA may request a pre-award survey to be conducted by the Defense Contract Management Command for the purpose of evaluating the offeror's ability to perform the contract.
- D. Meet the definitions of a manufacturer or nonmanufacturer as defined below.
  - (1) Manufacturer, means a person that owns, operates, or maintains a factory or establishment that produces on the premises the materials, supplies, articles, or equipment required under the contract and of the general character described by the specifications.
  - (2) Nonmanufacturer means a person that is primarily engaged in the wholesale or retail trade and normally sells the items being supplied to the general public; and will supply the end item of a small business manufacturer or processor made in the United States, or obtains a waiver of such requirement pursuant to 13 CFR Part 121.406.
- E. Maintain a bona fide business office in the United States for the purpose of selling to USDA the product described in this announcement. Additionally, the offeror must maintain an office, employee, or agent for service of process.

- √..F. Have a number of dairy plants, sufficient to produce the quantity offered, currently approved by Agricultural Marketing Service (AMS).
- G. If the offeror intends to use the Total Quality Systems Audit (TQSA) program for quality assurance, meet the requirements of the TQSA program. Offerors shall only be allowed to offer from plants that have been audited under TQSA and have received a score of at least 80 points. However, a result of "0" in any element of the TQSA Report Form TQ-003 will require AMS commodity inspection until such time corrective action is implemented and verified as effective. (Element scoring: 0 = one or more questions with a result of "0" , or four or more questions with a result of "M" .) The Total Quality Systems Audit Supplier Guidelines setting forth the TQSA requirements may be obtained at the Internet location: [www.fsa.usda.gov/pdd/tqsa.htm](http://www.fsa.usda.gov/pdd/tqsa.htm) or by contacting the appropriate contracting officer 816-926-2514..√

### √..3.SUBMISSION OF OFFERS

#### A. How to Submit Offers

Offers, modifications, withdrawals of offers, and price adjustments shall be submitted through the Domestic Electronic Bid Entry System (DEBES) and received by the date and local time specified in the invitation for receipt of offers. The time of receipt will be determined and recorded by DEBES. Submission of the above by any means other than DEBES will be determined nonresponsive.

#### B. Computer Software Requirements

The offeror is responsible for choosing their own Internet Service Provider (ISP) to transmit, translate, or carry data between the offeror and this office. The offeror is responsible for the cost of its third-party network.

- (1) Operating system: Windows NT, Windows 2000, or Windows XP (or equivalent).
- (2) Browser requirement: Netscape 4.07 or above (**OR**) Internet Explorer 5.0 or above.
- (3) Encryption: Browser capable of handling 128-bit encryption.
- (4) Proxy servers: Offerors must set up their proxy server to allow access to the Internet DEBES port.

#### C. Access to DEBES

- (1) Internet location is <http://pcsd.usda.gov/debes>.
- (2) This office will provide the offeror with an ID number and the initial password needed to access DEBES.
- (3) USDA will not be responsible for any failure attributed to the transmission of the bid data prior to being accepted and stored on our web server including, but not limited to the following:

- (a) Any failure of the offeror's computer hardware or software.
  - (b) Availability of your ISP.
  - (c) Delay in transmission due to the speed of your modem.
  - (d) Delay in transmission due to excessive volume of Internet traffic.
- (4) Price and mode of transportation offered for each item must be entered on DEBES offer form bid page. The Trans (transportation) Mode on the DEBES offer form bid page will default to truck. Offerors may select the rail or piggyback mode or each state if applicable. Quantities offered for each plant, product/pack size, and delivery periods must be entered on the constraints bid page. Certification answers must be entered on the certifications bid page.

D. Late Submission and Modifications

Any offer submitted to DEBES after the designated time specified for receipt in the invitation will not be considered. Notwithstanding the above, a late modification of an otherwise successful bid that makes its terms more favorable to the Government will be considered at any time it is received and may be accepted. For the purpose of this announcement, USDA-1, Articles 6 and 7 are excluded.

E. Basis of Offer

- (1) Offers are invited f.o.b. destination. A single price shall be offered for each state.  
**THE USE OF OPEN VAN CARRIERS IS NOT ALLOWED..√**

- (2) Cheese packed in barrels

The offer price must be quoted on a standard moisture basis (37.8 - 39.0 percent moisture). The price to be paid for the cheese will be on the basis of moisture content at points of delivery as specified in the invitation. The offer price will be adjusted according to the percentage of moisture, as evidenced by grading certificates issued in accordance with section 11 of this announcement, and the USDA Moisture Adjustment Price Chart Formula ( $100\% - \% \text{ moisture} \times \text{base price} \div 61\%$ ; the result is rounded to the nearest fourth digit to the right of decimal. Fifth digit of 5 or more is rounded up, 4 or less is rounded down).

- (3) Natural American Cheese except Barrels

The price to be paid will be the offer price accepted by USDA which must be on the basis of the points of delivery as specified in the invitation.

#### 4. ACCEPTANCE OF OFFERS

- A. USDA will notify successful offerors on the date specified in the invitation. The date of acceptance by USDA will be the contract date.

- B. In addition to the price, factors considered in accepting offers will include the time of shipment, the total cost to the Government to deliver the product to the ultimate destination, and the responsibility of the offeror as demonstrated by prior contract performance.
- C. USDA may accept or reject any or all offers, or portions thereof.

## **5. RESPONSIBILITY AND PAST PERFORMANCE OF OFFEROR**

- A. Offerors are cautioned not to bid on product quantities exceeding a level that the offeror can reasonably expect to deliver in accordance with the contract schedule. Deliveries must be made during the contracted delivery period and no extensions will be granted due to weekends or Federal holidays. On-time delivery is imperative because this product is used in domestic food programs. Late deliveries cause serious and substantial damages to USDA and to other agencies that use this commodity. Contractor delivering late on contracts must immediately notify the contracting officer of late deliveries and how soon delivery can be expected.
- √.. B. The offeror must certify to timely performance on current contracts on the DEBES certifications bid page. A determination that the late performance is beyond the control or negligence of the contractor will be made by the contracting officer prior to bid opening. An offeror may be deemed nonresponsible if the offeror is delivering late on contracts with USDA and the late delivery is not due to causes beyond the contractor's control. This provision, as it pertains to small business, is a deviation from FAR 9.103(b) and Subpart 19.6.  
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## **6. PROVISIONS OF CONTRACT**

- A. The contract consists of:
  - (1) Contractor's offer.
  - (2) USDA's acceptance.
  - (3) The applicable invitation.
  - √.. (4) This announcement, including Appendixes 1-3...√
  - (5) TQSA Supplier Guidelines.
  - (6) USDA-1, except Articles 50 and 55 and all of Part E. Articles 56, 65 and 67 are applicable, except that contracts will be executed on a delivery basis. All words referring to Aship,@ Ashipping,@ Ashipments,@ and Ashipped@ shall be Adeliver,@ Adelivering,@ Adeliiver(ies),@ and Adeliivered.@
- B. If the provisions of USDA-1, TQSA Supplier Guidelines and this announcement are not consistent, the provisions of this announcement will prevail. If the provisions of USDA-1, TQSA Supplier Guidelines, this announcement, and the invitation are not consistent, those of the invitation will prevail. If the Commercial Item Description is not consistent with the specifications in Section 10, the provisions contained in Section 10 of this announcement will prevail.



- C. No interpretation or amendment of this announcement is valid or enforceable unless such interpretation or amendment is in writing and executed by the contracting officer. No other determination or opinion shall be a contract interpretation even if it came from another USDA official.

## **7. NAICS CODE AND SMALL BUSINESS SIZE STANDARD**

- A. The North American Industry Classification System (NAICS) code for this acquisition and the small business size standard is:

<b>Commodity</b>	<b>NAICS Code</b>	<b>Corresponding Sic Code</b>	<b>Size Standard (Employees)</b>
Cheese	311513	2022	500

- B. The small business size standard for a concern which submits an offer in its own name, but which proposes to furnish a product which it did not itself manufacture, is 500 employees.
- C. The U.S. Small Business Administration (SBA) has implemented the Procurement Marketing and Access Network (PRO-Net). PRO-Net is a procurement related Internet-based electronic search engine for locating small, small disadvantaged, and women-owned small business sources. The PRO-Net Internet address (URL) is (<http://pro-net.sba.gov>). Companies that do not have access to the Internet may register for PRO-Net through your local SBA office. The PRO-Net is a free electronic gateway linked to the Commerce Business Daily, government agency home pages, and other sources of procurement opportunities.

## **8. RESPONSES TO ILLEGAL OR IMPROPER ACTIVITY**

- A. Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity

- (1) If the Government receives information that a contractor or a person has engaged in conduct constituting a violation of subsection (a), (b), (c), or (d) of Section 27 of the Office of Federal Procurement Policy Act (41 U.S.C. 423) (the Act), as amended by section 4304 of the 1996 National Defense Authorization Act for Fiscal Year 1996 (Pub. L. 104-106), the Government may:
- (a) Cancel the solicitation, if the contract has not yet been awarded or issued; or
- (b) Rescind the contract with respect to which:
- 1) The contractor or someone acting for the contractor has been convicted for an offense where the conduct constitutes a violation of subsection 27 (a) or (b) of the Act for the purpose of either:
- a) Exchanging the information covered by such subsections for anything of value; or

- b) Obtaining or giving anyone a competitive advantage in the award of a Federal agency procurement contract; or
- 2) The head of the contracting activity has determined, based upon a preponderance of the evidence, that the contractor or someone acting for the contractor has engaged in conduct constituting an offense punishable under subsections 27(e)(1) of the Act.
- (2) If the Government rescinds the contract under paragraph A. (1) of this clause, the Government is entitled to recover, in addition to any penalty prescribed by law, the amount expended under the contract.
- (3) The rights and remedies of the Government specified herein are not exclusive, and are in addition to any other rights and remedies provided by law, regulation, or under this contract.

**B. Price or Fee Adjustment for Illegal or Improper Activity**

- (1) The Government, at its election, may reduce the price of a fixed-price type contract and the total cost and fee under a cost-type contract by the amount of profit or fee determined as set forth in paragraph B. (2) of this clause if the head of the contracting activity or designee determine that there was a violation of subsection 27 (a), (b), or (c) of the Office of Federal Procurement Policy Act, as amended (41 U.S.C. 423), as implemented in section 3.104 of the Federal Acquisition Regulation.
- (2) The price or fee reduction referred to in paragraph B. (1) of this clause shall be:
  - (a) For cost-plus-fixed-fee contracts, the amount of the fee specified in the contract at the time of award;
  - (b) For cost-plus-incentive-fee-contracts, the target fee specified in the contract at the time of award, notwithstanding any minimum fee or Afee floor® specified in the contract;
  - (c) For cost-plus-award-fee contracts:
    - 1) The base fee established in the contract at the time of contract award;
    - 2) If no base fee is specified in the contract, 30 percent of the amount of each award fee otherwise payable to the contractor for each award fee evaluation period or at each award fee determination point.
  - (d) For fixed-price-incentive contracts, the Government may:
    - 1) Reduce the contract target price and contract target profit both by an

amount equal to the initial target profit specified in the contract at the time of contract award; or

- 2) If an immediate adjustment to the contract target price and contract target profit would have a significant adverse impact on the incentive price revision relationship under the contract, or adversely affect the contract financing provisions, the contracting officer may defer such adjustment until establishment of the total final price of the contract. The total final prices established in accordance with the incentive price revision provisions of the contract award and such reduced price shall be the total final contract price.
- (e) For firm-fixed-price contracts, by 10 percent of the initial contract price or a profit amount determined by the contracting officer from records or documents in existence prior to the date of the contract award.
- (3) The Government may, at its election, reduce a prime contractor's price or fee in accordance with the procedures of paragraph B. (2) of this clause for violations of the Act by its subcontractors by an amount not to exceed the amount of profit or fee reflected in the subcontract at the time the subcontract was first definitively priced.
- (4) In addition to the remedies in paragraphs B. (1) and B. (3) of this clause, the Government may terminate this contract for default. The rights and remedies of the Government specified herein are not exclusive, and are in addition to any other rights and remedies provided by law or under this contract.

## **9. PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT**

- A. The Government suspends or debar contractors to protect the Government's interests. Contractors must not enter into any subcontract equal to, or in excess of, the small purchase limitation of \$25,000 with a contractor that has been debarred, suspended, or proposed for debarment unless the acquiring agency's head or designee determines there is a compelling reason for such action (FAR 9.405).
- B. The contractor must require each proposed first-tier subcontractor, whose subcontract shall exceed the small purchase limitation of \$25,000, to disclose to the contractor, in writing, whether as of the time of award of the subcontract, the subcontractor, or its principals, is or is not debarred, suspended, or proposed for debarment by the Federal Government.
- C. A corporate officer or a designee of the contractor must notify the contracting officer, in writing, before entering into a subcontract with a party that is debarred, suspended, or proposed for debarment (See FAR 9.404 for information on the List of Parties Excluded from Federal Procurement Programs). The notice must include the following:
  - (1) The name of the subcontractor;

- (2) The contractor's knowledge of the reasons for the subcontractor being on the List of Parties Excluded from Federal Procurement Programs;
- (3) The compelling reason(s) for doing business with the subcontractor notwithstanding its inclusion on the List of Parties Excluded from Federal Procurement Programs;
- (4) The systems and procedures the contractor has established to ensure that it is fully protecting the Government's interests when dealing with such subcontractor in view of the specific basis for the party's debarment, suspension, or proposed debarment.

## 10. COMMODITY SPECIFICATIONS

### A. Domestic Origin

- (1) The product delivered under this announcement must be produced in the United States from commodities produced in the United States.
- (2) For purposes of this section, the following definition applies:  
  
"Produced in the United States" means manufactured, processed, mined, harvested, or otherwise prepared for sale or distribution, from components originating in the United States. Components originating in the United States which have been exported, and subsequently imported back into the United States, will not be considered as having been produced in the United States.
- (3) The contractor must maintain records to verify that during the contract delivery period, at the point of packaging or, in the case of bulk commodities, at the point of delivery to USDA, the product was in compliance with the domestic origin requirements of this section of the Announcement. (See Article 76 of USDA-1.)
- (4) USDA will randomly conduct domestic origin compliance reviews to determine if the product delivered to USDA was produced and manufactured in the U.S. from materials produced and manufactured in the U.S. Upon request, the contractor must submit documentation substantiating compliance to the contracting officer for review. This documentation may include procurement, production, inventory, delivery, and any other pertinent records. Onsite reviews may also be performed, at the discretion of USDA.

### √..B. Regulatory

Except as otherwise required by this announcement or the applicable invitation, the natural American cheese must comply with the appropriate definition and standard of identity, and all regulations issued pursuant to the Federal Food, Drug, and Cosmetic Act, relevant to cheese (21 CFR Parts 1-199, including Parts 133.113 for Cheddar cheese, Part 133.118 for Colby cheese, Part 133.144 for Granular cheese, and Part 133.146 for grated cheese), as appropriate, for the type of natural American cheese specified in the offer accepted by USDA. ..√

C. Production Requirements

- (1) The cheese delivered to USDA must have been manufactured from pasteurized milk that was produced in the United States and not previously owned by CCC, and in plants that were inspected and approved by the Dairy Grading Branch, Dairy Programs, Agricultural Marketing Service (AMS), USDA, prior to submission of offer.
- (2) Cheese used for cutting must be clean, free from impurities, mold, rindrot, soft spots, salt spots, pests, and other similar defects.
- (3) A mold inhibitor may be applied in accordance with the Federal Food, Drug, and Cosmetic Act.
- (4) All surfaces of the barrel cheese must be reasonably smooth and closed to inhibit mold growth and penetration. However, if the surface is treated with an antimycotic and/or vacuum sealed, definite rough surface will be allowed. Each lot must contain only one type and size container. Barrel cheese may contain a reasonable amount of whey on the surface of the cheese and the liner. "Reasonable" means droplets but less than flowing whey on the cheese or the interior of the liner. Barrel cheese may not have visible mold at the time of grading.
- (5) Subject to the provisions of Articles 60 and 68 of USDA-1, natural American cheese which deviates from the specifications and the schedule of discounts of this announcement will be rejected, or at the discretion of the contracting officer, accepted at discounts to be determined by USDA.
- (6) Notwithstanding the other provisions of this section, the presence of any extraneous material in the natural American cheese will be the basis for rejection.

√..D. Product Age, Temperature and Grade Requirements

Cheese product age and temperature requirements shall comply with the following:

Requirement	Description
<b>Product Age</b>	<p>No lot may contain cheese having a variation of over 30 days in dates of manufacture.</p> <p>All cheese must be at least 10 days old when graded except Reduced Fat Cheddar which must be at least 20 days old when graded.</p> <p>The cheese shall be aged at 38 to 42 degrees F (3.5 to 5.5 degrees C) prior to inspection. This aging may take place before or after the cheese is shredded.</p>
<b>Grade</b>	<p>Blocks or prints of Cheddar cheese must be U.S. Grade A or higher.</p> <p>Cheese packed in barrels must be U.S. Extra Grade.</p>
<b>Temperature</b>	<p>Cheese must be located in a cooler and stored at a temperature 40 degrees F or lower until delivered to USDA. Carriers when transporting cheese must maintain a temperature at 35 degrees F or lower.</p>

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√.. E. Composition Requirements

Cheese composition requirements shall comply with the following:

Composition	Cheddar	Reduced Fat Cheddar	Barrel Cheese
Milkfat %	Not less than 50% by weight of the solids	Range 19.2% - 22.9% by total weight	Not less than 50% by weight of the solids
Moisture %	No vat more than 39%	Not more than 49%	No vat more than 39%
Salt %	N/A	Range 1.4% - 2%	N/A
pH value*	No vat may have a pH value higher than 5.30, except shredded cheese, which shall not have a pH value higher than 5.35		
<b>NOTES:</b> Shredded cheese allows for 1 percent less milkfat than the standard of identity for cheddar cheese.  Reduced fat cheddar cheese should contain between 1/4 to 1/3 less milkfat than that of traditional cheddar cheese.			

\* If a re-test of the product is required, the quinhydrone method will be used by the Agricultural Marketing Service (AMS) laboratories... √

F. Physical Analysis

Barrel, Cheddar, and Reduced Fat Cheddar cheese physical analysis requirements shall comply with following:

<b>Barrel Cheese U.S. Extra Grade</b>	<b>Cheddar, Blocks/Prints U.S. Grade AA</b>	<b>Cheddar, Blocks/Prints U.S. Grade A</b>
<b>Flavor:</b> Cheese must possess a pleasing characteristic of the variety and type of cheese packaged in the barrels. The barrel cheese may contain a very slight bitter taste and slight acid and feed flavor, but must not possess any undesirable flavors or odors as listed in the United States Standards for Grades of Bulk American Cheese.	<b>Flavor:</b> Cheese must be fine and highly pleasing. The cheese may be lacking in flavor development or may possess slight characteristic Cheddar cheese flavor. The cheese also may possess a very slight feed flavor, but shall be free from any undesirable flavors and odors.	<b>Flavor:</b> Cheese shall possess a pleasing flavor. It may be lacking in flavor development or may possess slight characteristic Cheddar cheese flavor. It may possess very slight acid, or slight feed, but must not possess any undesirable flavors and odors.
<b>Body and Texture:</b> The cheese must be firm and sufficiently compact to draw a plug for examination. The cheese may be slight coarse, mealy, open (except for Colby), short, weak and curdy to definite degree, but it must not be corky, crumbly, gassy, pasty, pinny, slitty, or have sweet holes. Mechanical openings are permitted in all types of the cheese except cheddar.	<b>Body and Texture:</b> A plug drawn from the cheese shall be firm, appear smooth, compact, close and should be slightly translucent, but may have a few small mechanical openings. The cheese may be very slight open and definitely curdy or may be partially broken down if more than 3 weeks old. Shall be free from sweet holes, yeast holes, and gas holes of any kind. The surface shall be free of mold, but may be very slightly soiled.	<b>Body and Texture:</b> A plug drawn from the cheese shall be firm, appear smooth, compact, close and should be slightly translucent, but may have a few mechanical openings, if not large and connecting. May possess not more than two sweet holes per plug, but shall be free from other gas holes. The cheese may be slight open and definitely curdy or partially broken down if more than 3 weeks old. The surface may have very slight mold and be very slightly soiled and slightly rough. The blocks may be slightly lopsided.
	<b>Color:</b> The cheese shall have a uniform, bright attractive appearance; practically free from white lines or seams. May be colored or uncolored, but if colored, it should be a medium yellow-orange.	<b>Color:</b> The cheese shall have a fairly uniform, bright attractive appearance. May have slight white lines or seams, or be very slightly wavy. May be colored or uncolored, but if colored, it should be a medium yellow-orange.



Shredded Cheddar	RDU FAT Shredded Cheddar	RDU FAT Blocks/Prints
<p><b>Flavor:</b> Cheese shall have a mild pleasing flavor. It may be lacking in flavor development, or may possess characteristic Cheddar cheese flavor. Shredded Cheddar cheese shall meet the flavor requirements of U.S. Grade A or better according to the U.S. Standards for Grades of Cheddar Cheese.</p>	<p><b>Flavor:</b> Reduced fat cheddar cheese must have a pleasing flavor. It may be lacking in flavor development or may possess slight characteristic Cheddar cheese flavor. It may possess very slight acid, bitter, or slight feed, but must not possess any undesirable flavors and odors.</p>	<p><b>Flavor:</b> Reduced fat cheddar cheese must have a pleasing flavor. It may be lacking in flavor development or may possess slight characteristic Cheddar cheese flavor. It may possess very slight acid, bitter, or slight feed, but must not possess any undesirable flavors and odors.</p>
<p><b>Body and Texture:</b> Shredded Cheddar cheese may have the following body and texture characteristics to a slight degree: mealy, weak, or pasty. The cheese shall be free from all foreign and extraneous materials. Shredded Cheddar cheese shall have a height and width up to 3/16 inch in either dimension. Shredded Cheddar cheese shall be free flowing and shall not be matted. An approved anticaking agent may be added as a processing aid. If an anticaking agent is used, the amount used shall be the minimum required to produce the desired effect, but shall not exceed 2.0 percent of the weight of the shredded Cheddar cheese.</p>	<p><b>Body and Texture:</b> Shredded cheese shall be free flowing and of uniform size and shape. It shall not mat, crumble, oil off, or contain excessive fines.</p>	<p><b>Body and Texture:</b> The block cheese body and texture must be firm, compact, and should be slightly translucent and shiny. It may have a few mechanical openings (1 to 3 openings per plug) if not large and connecting. The cheese must be free from gas holes. The body may be very slight gummy, slight mealy or coarse, and definite curdy. The cheese surfaces shall be free of mold but may be slight soiled or rough. The cheese blocks may be slightly lopsided.</p>
<p><b>Color and Appearance:</b> Shredded Cheddar cheese shall have a uniform bright color, and an attractive sheen. The cheese may be colored or uncolored, but if colored, it shall be a medium yellow-orange. No visible signs of mold shall be permitted.</p>	<p><b>Color:</b> The cheese must have a fairly uniform, bright attractive appearance, and may be slightly wavy. May be colored or uncolored, but if colored, it must be medium yellow-orange. The shredded cheese shall not vary in color.</p>	<p><b>Color:</b> The cheese must have a fairly uniform, bright attractive appearance, and may be slightly wavy. May be colored or uncolored, but if colored, it must be medium yellow-orange.</p>

Shredded Cheddar	RDU FAT Shredded Cheddar	RDU FAT Blocks/Prints
<p><b>Fines:</b> Shredded Cheddar cheese shall contain not more than 6.0% fines. For shreds whose height and/or width is 1/16 inch or less, the fines content shall be determined using a Standard Test Sieve #14 (1.4mm). For shreds whose height and/or width is greater than 1/16 inch, the fines content shall be determined using a Standard Test Sieve #8 (2.36mm).</p> <p>NOTE: The manufacturer shall provide shred size information. This information will determine the sieve used to measure the fines content. If shred size information is not provided, the Standard Test Sieve #8 will be used.</p>	<p><b>Meltability:</b> The cheese must have been tested for meltability in accordance with AMS Methods of Laboratory Analysis, DA Instruction No. 918-RL, and must be at Number 3 or higher.</p>	<p><b>Meltability:</b> The cheese must have been tested for meltability in accordance with AMS Methods of Laboratory Analysis, DA Instruction No. 918-RL, and must be at Number 3 or higher.</p>

G. Schedule of Discounts.

Discounts for salt, moisture, fines, and pH deviation from the commodity specifications will only be in accordance with the following schedule of discounts for each pound of natural American cheese delivered.

Schedule of Discounts

FACTOR	TYPE	PERCENT SALT CONTENT RANGE	DISCOUNT PER POUND
Salt	RDU FAT Cheddar	1.10 B 1.19	\$0.0050
		1.20 B 1.29	\$0.0035
		1.30 B 1.39	\$0.0020
		1.40 B 2.00	No Discount
		2.01 B 2.10	\$0.0020
		2.11 B 2.20	\$0.0035
		2.21 B 2.30	\$0.0050

FACTOR	TYPE	PERCENT MOISTURE CONTENT RANGE	DISCOUNT PER POUND
Moisture	Cheddar	Not more than 39.0	No discount
		39.01 - 39.10	\$0.0025
		39.11 - 39.20	\$0.0050
		39.21 - 39.30	\$0.0075
	RDU FAT Cheddar	Not more than 49.0	No discount
		49.01 - 49.10	\$0.0025
		49.11 - 49.20	\$0.0050
		49.21 - 49.30	\$0.0075

## Schedule of Discounts (cont'd)

FACTOR	TYPE	pH VALUE RANGE	DISCOUNT PER POUND
pH	Cheddar and RDU FAT Cheddar	Less than or equal to 5.30	No discount
		5.31 B 5.35	\$0.0025
		5.36 B 5.40	\$0.0075
		5.41 B 5.45	\$0.0150
	Shredded	Less than or equal to 5.35	No discount
		5.36 B 5.39	\$0.0025
		5.40 B 5.45	\$0.0075
		5.46 B 5.50	\$0.0150

FACTOR	TYPE	PERCENT FINES CONTENT RANGE	DISCOUNT PER POUND
Fines	Shredded	Less than or equal to 6.00	No discount
		6.01 - 7.50	\$0.0075
		7.51 - 9.00	\$0.0150
		9.01 - 11.00	\$0.0200

### √..H. Liability

The contractor will be liable for losses due to excessive deterioration, mold development, or spoilage, which are discovered within 180 days of the date of delivery to USDA, in accordance with the provisions of Article 61 of USDA-1. The liability for reduced-fat Cheddar shall be 5 months from date of delivery. ..√

## √.. 11. QUALITY ASSURANCE

- A. The Contractor or AMS shall perform the product testing and quality analysis to ensure that the product meets the specifications described in Section 10. The results must be evidenced by a Certificate of Analysis. The Contractor must retain the Certificates of Analysis and furnish a copy to USDA with the invoice package. Contractors are required to notify KCCO immediately of lots that fail to meet contract requirements. The meltability, percentage of moisture, milkfat, salt, fines, and pH value, as applicable, will be evidenced by certificates issued by AMS, an independent commercial laboratory using AOAC International approved methodology, or the Contractor's TQSA compliant laboratory. The quality, date(s) of manufacture, and weight of the Natural American Cheese will be evidenced by grading certificates issued by the Contractor or AMS.
- B. The TQSA program is a method of Contractor verification and shall not relieve Contractors of their responsibility to deliver a product which complies with all contractual and specification requirements.
- C. If Contractor becomes TQSA non-compliant after contract is awarded and through execution of contract, the contracting officer may terminate contract for default. ..√

## 12. PACKAGING AND NET WEIGHT REQUIREMENTS

- A. The cheese must be packaged in approximately 10-pound prints/blocks, 40-pound blocks or other sizes stated in the offer and accepted by USDA. Shredded cheese must be packaged in 6/5-pound pouches, and barrel cheese is packaged in a 500-pound drum. The cheese must be packaged in accordance with the specifications set forth in Appendix 2 of this announcement.
- B. Block cheese must weigh not less than 40-pounds net weight but not more than 44-pounds net weight. Print cheese must weigh not less than 10-pounds net weight but not more than 11-pounds net weight. Cheese that varies from the net weight requirements of this paragraph will be rejected, or at the discretion of the contracting officer, accepted at discounts to be determined by USDA.
- C. Individual shipping containers of shredded cheese packed in 6/5-pound pouches must weigh not less than 29.85 pounds. The total net weight of all exact-weight shipping containers test weighed by AMS from a lot must not vary more than one-tenth (.1) of one percent under the aggregate marked net weight of all shipping containers within the lot.
- D. Discounts For Test Weight Shortages
- (1) Any lot of exact-weight cheese with test weight shortage in excess of one-tenth (.1) of one percent, but not more than four-tenths (.4) of one percent, under the marked net weight of all shipping containers within the lot, will be accepted by USDA at the following specified discounts below the contract price:

DISCOUNTS FOR TEST WEIGHT SHORTAGE	
Percentage Of Test Weight Shortage	Discount Per Lot
Greater Than .1% Up To And Including .2%	\$25.00
Greater Than .2% Up To And Including .3%	\$50.00
Greater Than .3% Up To And Including .4%	\$75.00

- (2) Any lot with test weight shortage in excess of four-tenths (.4) of one percent of the aggregate marked net weight of all shipping containers within the lot will be rejected, or at the discretion of the contracting officer, accepted at discounts to be determined by USDA.
- (3) In addition to the discounts specified above, individual shipping containers of cheese included in the sample test weighed in a lot which do not meet the minimum net weight requirements as specified in paragraph B. of this section will result in discounts by USDA of \$10 for the first shipping container and \$5 for each additional shipping container.

- E. An amendment will not be required to reduce the contract quantity to reflect the aggregate of test weight shortages.

### 13. SHIPMENT AND DELIVERY

- A. Shipment and delivery must be made in accordance with this announcement and Articles 56 and 64 of USDA-1.
- B. Title and risk of loss will pass to USDA on the date of delivery, as evidenced by signed and dated consignee's receipt, warehouse receipt, dock receipt, or other similar document acceptable to USDA.
- C. The quantity of the product delivered in good condition must be evidenced by a signed and dated consignee's receipt, warehouse receipt, dock receipt, or other similar document acceptable to USDA, such document must be retained by the contractor.
- D. If product to be delivered by the contractor falls within the quality discount table as outlined in Section 10, Commodity Specifications, a Certificate of Analysis on the analytical results must be submitted with the invoice package, and these factors must be asterisked.
- E. Contractors are required to make **TWO** notifications for each shipment (See Article 56(c) of USDA-1):
  - (1) The State Agency, "Consign To" party shown on the Notice to Deliver (N/D), must be **FAXED** on the day of shipment.
  - (2) The receiving warehouse, "Care Of" party shown on the N/D, must be called 24 hours in advance to schedule an unloading appointment. (This is not required for rail shipments.) Contractors must notify the contracting officer in advance if deliveries will not be made by the final delivery date under the contract, in accordance with Article 67(a) of USDA-1.
- F. Consignees may request upgrading of delivery service; for example, delivery within the doors of the consignee's premises or to a specific room within a building. Contractors are alerted that such delivery terms are beyond contractual requirements. If an upgrade of delivery services is requested and agreed to, additional charges must be billed to the party requesting the service.

### 14. LIQUIDATED DAMAGES

- A. Compensation to Contractor for Late Issuance of Notice to Deliver

Liquidated damages for delay in delivery due to late issuance of "Notice to Deliver" (KC-269), will be payable in accordance with Article 65 of USDA-1, and will be at the rate of \$0.45 per 100 pounds (net weight) per day.

B. Compensation to USDA for Delay in Delivery

Liquidated damages for delay in shipment will be payable in accordance with Article 67 of USDA-1, and will be at the rate of \$0.45 per 100 pounds (net weight) per day.

**15. INVOICES AND PAYMENT**

A. Invoicing and payment will be handled in accordance with Article 70, USDA-1 except that a properly prepared invoice package must include the following supporting documents:

- (1) A signed and dated Form KC-269 (reverse side) which includes the AContractor's Invoice Certification@ evidencing the date of delivery and quantity (units) delivered in good condition, OR
- (2) A signed and dated commercial invoice evidencing the date of delivery and quantity (units) delivered in good condition which must include the following statement (either as a part of the commercial invoice or an attachment to):

AContractors Invoice Certification@

AI certify that this invoice presented for payment is true. This certification is executed with full knowledge of the provision of 15 U.S.C. 714m(a), which provides a fine of not to exceed \$10,000 or imprisonment of not more than five years or both, for making any statement knowing it to be false, for the purpose of influencing in any way the action of the United States Department of Agriculture, and with full knowledge of the provisions of 31 U.S.C. 3729 imposing civil liability upon any person who shall make or cause to be made a false, fictitious, or fraudulent claim against the United States.@"

\_\_\_\_\_  
Authorized signature

\_\_\_\_\_  
Date

- √.. (3) Commercial bill of lading with manufacturer's lot numbers shown. ..√
- (4) USDA or contractor's original (official) commodity inspection certificate, OR grader's memorandum. NOTE: If there are any discrepancies between the grader's memorandum and the inspection certificate, the inspection certificate will prevail.
  - (5) Copy of Certificate of Analysis issued by an AMS laboratory, independent commercial laboratory, or contractor's TQSA compliant laboratory.

- (6) Quality, weight, and laboratory results that do not meet specifications as required in Section 10, Commodity Specifications, must be asterisked on the Certificate of Analysis submitted with the invoice package.
- (7) If the contractor does not complete a Contractor's Invoice Certification,<sup>@</sup> then proof of delivery as evidenced by one or more of the following documents will be required as a part of the invoice package:
  - √.. (a) A copy of the Bill of Lading, with manufacturer's lot numbers signed and dated by the recipient..√
  - (b) A copy of the commercial receipt evidencing delivery signed and dated by the recipient.

Invoices must be mailed to:

Kansas City Finance Office  
Financial Operations Division, Payment Certification Branch  
Stop Code 8578  
P.O. Box 419205  
Kansas City, MO 64141-6205

- B. The Debt Collection Improvement Act of 1996 amended 31 U.S.C. 3332 to require Federal agencies to convert all Federal payments from checks to electronic fund transfers. Payments may be made directly to a financial banking institution. To receive payments electronically, Standard Form 3881, ACH Vendor/Miscellaneous Payment Enrollment Form must be completed. If you have questions or would like this form mailed to you, contact Financial Operations Division, Payment Certification Branch.

## 16. INQUIRIES

Inquiries pertaining to USDA-1 and this announcement should be directed to:

Kansas City Commodity Office  
Dairy and Domestic Operations Division  
Stop Code 8718  
P.O. Box 419205  
Kansas City, MO 64141-6205  
816-926-6050

George Aldaya  
Director

UNITED STATES  
DEPARTMENT OF  
AGRICULTURE

Effective: March 16, 2001

KANSAS CITY  
COMMODITY OFFICE  
P.O. BOX 419205  
KANSAS CITY, MO. 64141-6205

## **APPENDIX 2**

# **Packaging and Marking Specifications**

### **Announcement BCD2**

### **Purchase of**

### **Natural American Cheese**

### **For Use in Domestic Programs**





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**APPENDIX 2 TO ANNOUNCEMENT BCD2  
PURCHASE OF NATURAL AMERICAN CHEESE  
FOR USE IN DOMESTIC PROGRAMS**

**Packaging and Marking Specifications**

**PART 1. BASIC PROVISIONS**

**1.1 PURPOSE**

- A. This appendix outlines the packaging and marking requirements, container specifications, and procedures for the approval of containers and packaging materials used in shipments of Natural American cheese under the domestic food distribution programs.
- B. Changes to this appendix will be issued periodically in the form of amendments to the announcement. Contractors are advised to ensure that all subcontractors, e.g., container and packaging material manufacturers, are familiar with the requirements on a contract-by-contract basis.

**1.2 USDA RESPONSIBILITIES**

- A. The Deputy Administrator, Commodity Operations (DACO), USDA-FSA, Washington, D.C., is responsible for approving the use of all containers and packaging materials.
- B. The Kansas City Commodity Office (KCCO) is responsible for accepting or rejecting commodities, containers, and packaging materials on a contract-by-contract basis.

**1.3 LIABILITY**

In accordance with Article 60 of USDA-1, USDA's contractor will be liable if containers or packaging materials do not meet contract requirements.

**√..1.4 COMMERCIAL PACKAGING AND MARKING SPECIFICATIONS**

The primary and secondary packaging materials and shipping containers must be of a type normally utilized in commercial channels. All closures and sealing methods must be in accordance with good commercial practice...√

## **PART 2. GENERAL REQUIREMENTS**

### **2.1 CONTAINERS AND MATERIALS**

- A. Unless otherwise specified, all containers and packaging materials must be:
- (1) New and made of components and by processes which will not impart an odor, flavor, color, or other objectionable characteristic to the product being packaged.
  - (2) Constructed to meet the requirements of the Food and Drug Administration (FDA) for safe contact with the packaged product.
  - (3) Constructed from the maximum amount of recycled materials practicable without jeopardizing performance or food safety.
- B. All containers and packaging materials must be manufactured and assembled in the United States. The components that make up the fabricating materials of the containers and packaging materials must be of U.S. origin to the extent that they are commercially available. Questions concerning the availability of a material should be directed to:
- USDA/FSA/DACO/PDD  
Contract Management Branch  
STOP 0551  
1400 Independence Avenue SW  
Washington, D.C. 20250-0551  
ATTN: Packaging
- C. The contractor must maintain records to verify that during the contract delivery period, at the point of packaging, the containers and packaging materials were in compliance with paragraph 2.1.B. See Article 76 of USDA-1.
- D. Filled containers must be safe for individuals coming in contact with them during handling, stacking, and storage operations.
- E. The weight capacity of a container, e.g., 5-pound carton, is defined as a container designed to hold 5 pounds of the commodity.

## **PART 3. CONTAINER AND PACKAGING REQUIREMENTS**

### **3.1 UNITIZATION REQUIREMENT**

Unless otherwise specified by USDA, all shipments of packaged products must be unitized (palletized and stretch wrapped) as follows:

**A. Pallets must be:**

- (1) Constructed to facilitate the safe handling, stacking, and transportation of the packaged product, as a unit, without loss or damage;
- (2) 48 x 40 inches, four-way or partial four-way, and reversible or nonreversible flush stringer; and
- (3) Suitable for use in the shipment of food products.

**B. Plastic stretch-wrap must be:**

- (1) Constructed of a plastic film which is to be stretched a minimum of 50 percent beyond its original length when stretched around the pallet load.
- (2) Applied as tightly as possible around all tiers of the palletized shipping containers. The shipping containers must be held firmly in place by the stretch-wrap.

**C. Pallet loads must be:**

- (1) Stacked in such a way as to minimize the amount that shipping containers overhang the edges of pallets. (While shipping containers may overhang the edges of pallets, contractors are reminded that they are responsible for the safe shipment and delivery of the product.)
- (2) Blocked and braced or otherwise loaded into the conveyance in a manner that prevents shifting during transit.

## **PART 4. USDA & COMMERCIAL MARKING REQUIREMENTS**

### **√..4.1 MARKING SPECIFICATIONS**

- A. The marking and labeling must be in accordance with good commercial practices.
- B. At Contractor's option, a statement such as "NOT FOR RETAIL SALE" may be printed on the principal display panel of the food label.
- C. All packaging and labeling must be in accordance with all applicable provisions of the Federal Food, Drug, and Cosmetic Act, the Fair Packaging and Labeling Act, and the Nutrition Labeling and Education Act of 1990.
- D. A company name or brand name must be shown on all shipping containers. ..√

### **√..4.2 MONTH/YEAR OF PACK**

- A. The month/year of pack must be shown on all shipping containers.
- B. A date fill code may be applied in addition to, but not in lieu of, the month/year of pack...√

### **√..4.3 LOT CODE/CERTIFICATE NUMBER**

A lot code or official USDA inspection certificate number must be legibly marked on all primary shipping containers. Contractors may use any type of lot coding system, provided it can identify the day of production in the contractor's records. If Contractors use AMS inspection services, Contractor must provide AMS with an explanation of the lot coding system utilized...√

## **4.4 KOSHER**

"Kosher Only" products will be identified in the invitation. Offerors must not bid on these products unless they are properly certified to produce Kosher products. If an offeror bids on products identified as "Kosher Only," they shall provide a letter to the consignee certifying compliance with applicable Kosher dietary laws.

UNITED STATES  
DEPARTMENT OF  
AGRICULTURE

KANSAS CITY  
COMMODITY OFFICE  
P.O. BOX 419205  
KANSAS CITY, MO. 64141-6205

**APPENDIX 3**  
**Commercial Item Description**  
**Cheese, Cheddar, Reduced Fat**

**ANNOUNCEMENT BCD2**

**A-A-20208 Dated June 6, 1995**

<http://www.ams.usda.gov/fqa/ciddair.htm>

